

June 22, 2005

**APPROVE ENTERING INTO AN AGREEMENT WITH HEWITT ASSOCIATES LLC,  
FOR CONSULTING SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Hewitt Associates LLC, to provide consulting services to the Department of Human Resources at a cost not to exceed \$250,000.00. Consultant was selected on a competitive basis pursuant to Board Rule 5-4.1. A written agreement for Consultant's services is currently being negotiated. No services shall be provided by Consultant and no payment shall be made to Consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

**CONSULTANT:** Hewitt Associates LLC  
100 Half Day Road  
Lincolnshire, IL 60069  
Contact: Kirt Davis  
(847) 295-5000  
Vendor # 83811

**USER:** Department of Human Resources  
125 S. Clark Street, 2<sup>nd</sup> Floor  
Chicago, IL 60603  
Contact: Arnetta S. Mason  
773-553-3726

**TERM:** The term of this agreement shall commence on July 1, 2005 and shall end June 30, 2006.

**EARLY TERMINATION RIGHT:** The Board shall have the right to terminate this agreement with 30 days written notice.

**SCOPE OF SERVICES:** Consultant will provide the following services:

- Organization restructuring based on overall CPS business goals and objectives.
- Define best practice processes and templates for the following HR functions and other recommended functions that do not currently exist at CPS: 1) Performance Management, 2) Succession Planning and 3) Career Development.
- Coordinate and assist HR directors in the following units: Benefits, Recruiting and Staffing, Employee Relations, Learning and Development, and HR Service Center.
- Devise skill inventory to identify required skills and those skills that do not exist in the organization by unit.
- Devise plans to address non-performing resources or resources that do not meet the minimum skill requirements.
- Define the role of the HR generalist and how the role will function across three organizations based on leading practice.
- Develop and/or update training and policy and procedure manuals for staff in all units involved in managing human capital management process.
- Define procedures to ensure that all Board policies and labor agreements are followed in respect to four major unions with complex and specific requirements.
- Establish policies and procedures to ensure all HR functions are carried out in a manner that meets federal and state regulations.

**DELIVERABLES:** Consultant will provide leading practices, samples, templates, advice and organizational design services which will meet the Board's restructuring goals and objectives.

**OUTCOMES:** Consultant's services will result in creating a skills inventory of the current staff, defining clear roles and responsibilities for each new unit, validation or modification of the new organization structure, and providing the model to staff existing employees or new employees in the newly created HR job roles.

**COMPENSATION:** Consultant shall be paid as follows: Monthly invoicing an amount not to exceed the sum of \$250,000.00 in the aggregate.

**REIMBURSABLE EXPENSES:** None.

**AUTHORIZATION:** Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Human Resources Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:** The M/WBE goals for this contract include: 35% total MBE, 22% total African American, 10% total Hispanic, 2% total Asian and 5% WBE. However, the Waiver Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract is of critical need.

**Total WBE 3%**

Advantage Computer Supply  
P.O. Box 475 101 S. River Rd. \$ 2,093.00 @ 1%  
McHenry, IL. 60050

North Shore Printers  
535 S. Sheridan Rd. \$ 4,669.00 @ 2%  
Waukegan, IL. 60085

**LSC REVIEW:** Local School Council approval is not applicable to this report.

**FINANCIAL:** Charge to Human Resources and Operations: \$250,000 Fiscal Year: 2006  
Budget Classification: 0710-464-000-1010-5410 Source of Funds: Capital Funding

**GENERAL CONDITIONS:**

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

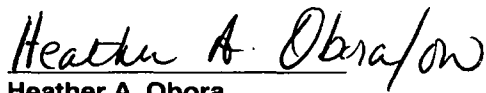
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

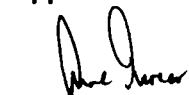
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

  
Heather A. Obora  
Chief Purchasing Officer

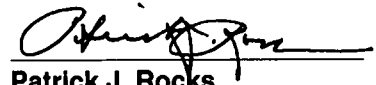
**Approved:**

  
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

  
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**John Maiorca**  
**Chief Financial Officer**

Approved as to legal form. 

  
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**Patrick J. Rocks**  
**General Counsel**